

The copyright © of this thesis belongs to its rightful author and/or other copyright owner. Copies can be accessed and downloaded for non-commercial or learning purposes without any charge and permission. The thesis cannot be reproduced or quoted as a whole without the permission from its rightful owner. No alteration or changes in format is allowed without permission from its rightful owner.



**A QUALITATIVE STUDY ON THE EFFECTIVENESS OF
TRAINING TO JOB PERFORMANCE IN KKR MICROCREDIT
INSTITUTION IN SELANGOR**



SATHYAKUMARAN BALASANTHRAN

**MASTER OF HUMAN RESOURCE MANAGEMENT
UNIVERSITI UTARA MALAYSIA
April 2018**

**A QUALITATIVE STUDY ON THE EFFECTIVENESS OF
TRAINING TO JOB PERFORMANCE IN KKR MICROCREDIT
INSTITUTION IN SELANGOR**

By

SATHYAKUMARAN BALASANTHRAN



**Thesis Submitted to
Othman Yeop Abdullah Graduate School of Business,
Universiti Utara Malaysia, in Partial Fulfilment
of the Requirement for Master of Human Resource Management**

PERMISSION TO USE

As for completion for my master degree requirements from university Utara Malaysia I agree that university library can proceed with any inspection. Furthermore I agree that university can copy my dissertation, whole part for any use, after granted my supervisor or in his absence by the Dean of the Othman Yeop Abdullah Graduate School of Business. Beside any financial gain thought my dissertation shall not allowed without my written permission.

Request to use this dissertation to copy either any should address to:

Dean
Othman Yeop Abdullah Graduate School of Business
Universiti Utara Malaysia
06010 UUM Sintok
Kedah DarulAman
Malaysia



ABSTRACT

The purpose of this study is to examine the effectiveness of training to job performance among employees in the microcredit institutions, at KKR. This study employs the qualitative approach. Interviews were conducted with the employees of the KKR microcredit institutions. From the responses, it could be concluded that training in microcredit institutions had positive impact on employee's job performance. However, in-depth interviews revealed that training in this microcredit institution was not planned systematically due to limited resource. Hence there is an opportunity for these microcredit institutions to plan systematic training programs for their employees.

Keywords: training frequency, training methods and training selection.



ABSTRAK

Tujuan kajian ini adalah untuk mengkaji keberkesanan latihan kepada prestasi kerja dalam kalangan pekerja di institusi mikro kredit, di KKR. Kajian ini menggunakan pendekatan kualitatif. Temubual telah dijalankan bersama pihak pekerja di institusi mikro kredit. Dari maklumbalas, boleh dirumuskan latihan di institusi mikro kredit mempunyai impak yang positif ke atas prestasi kerja. Walau bagaimanapun temubual mendalam menunjukkan latihan di institusi mikro kredit ini tidak dirancang secara sistematik kerana sumber yang terhad. Sehubungan itu, ini dilihat sebagai peluang untuk institusi mikro kredit untuk merancang secara sistematik program-program latihan untuk pekerja mereka.

Katakunci: pemilihan pekerja untuk latihan, kekerapan latihan dan kaedah latihan.



ACKNOWLEDMENT

My sincere appreciation is extended to those who have extended their help, encouragement, and understanding to this dissertation has been possible especially, my utmost humble appreciation to my supervisor, Dr. Nor Pujawati Md. Said who has invested her tireless efforts, times and dedications in making this dissertation come alive. In the same time I would like to thank the entire officer from KKR who helped me to get data for my dissertation.

Last but not least, my sincere thanks and appreciation to all my friends and family members for the support who work hard for this. **I would like to dedicate this work to my late father Mr.Balasanthran whose dreams for me have resulted in this achievement and without his loving upbringing and nurturing; I would not have been where I am today and what I am today.**

TABLE OF CONTENT

TITLE PAGE	Page i
CERTIFICATION OF THESES	ii
PERMISSION TO USE	iii
ABSTRACT	iv
ABSTRAK	v
ACKNOWLEDGEMENT	vi
TABLE OF CONTENT	vii
LIST OF TABLES	ix
LIST OF FIGURES	x
LIST OF ABBREVIATIONS	xi
CHAPTER 1: INTRODUCTION	
1.1 Background of the Study	1
1.2 Problem Statement	2
1.3 Research Questions	4
1.4 Research Objectives	5
1.5 Scope and Limitation of the Study	6
1.6 Definition of Key Terms	7
1.7 Organization of the Thesis	7
CHAPTER 2: LITERATURE REVIEW	
2.1 Introduction	9
2.2 Job Performance	9
2.3 Training	11
2.3.1 Training Methods	12
2.3.2 Training Frequency	14
2.3.3 Training Selection	16
2.3.4 Impact of Training to Job Performance	19
2.4 Micro Credit Institutions in Malaysia	26
2.4.1 TEKUN	27
2.4.2 Koperasi Kredit Rakyat (KKR)	28
2.5 Summary	29
CHAPTER 3: RESEARCH METHODOLOGY	
3.1 Introduction	30
3.2 Research Framework	30
3.3 Proposition Development	31

3.4	Research Design	32
3.5	Focus of Study	33
3.6	Research Instrument	33
3.7	Data Collection	34
3.7.1	Data Collection Procedure	34
3.8	Technique of Data Analysis	35
3.9	Summary	35
CHAPTER 4: RESULTS AND DISCUSSION		
4.1	Introduction	36
4.2	Data Preparation	36
4.3	Background of Respondents	37
4.3.1	Employees Representatives	37
4.3.2	Age	38
4.3.3	Years of Working	39
4.3.4	Education Level	39
4.4	Results and Discussion	41
4.4.1	Employees' Job Performance	41
4.4.2	Training Methods and Job Performance	47
4.4.3	Training Frequency and Job Performance	51
4.4.4	Training Selection and Job Performance	52
4.5	Summary	59
CHAPTER 5: CONCLUSION AND RECOMMENDATION		
5.1	Introduction	61
5.2	Recapitalization of the Study	61
5.3	Conclusion	62
5.3.1	Training Methods and Job Performance	63
5.3.2	Training Frequency and Job Performance	64
5.3.3	Training Selection and Job Performance	65
5.4	Recommendations	66
5.4.1	Planned, systematic and coordinated training program	66
5.4.2	Training needs analysis	67
5.4.3	Establish the training objective in accordance with the Organizational goal	67
5.4.4	Areas for further research	67

REFERENCES

APPENDICES

LIST OF TABLES

Table 4.1: Years of Working	41
Table 4.2: Training Schedule	60



LIST OF FIGURE

Figure 3.1:	Research Framework	30
Figure 4.1:	Age of Respondents	40
Figure 4.2:	Education level	42
Figure 4.3:	Methods of Training	51
Figure 4.4:	Quality of Training	52
Figure 4.5:	Selection for Training	58
Figure 4.6	Training Schedule	59



LIST OF ABBREVIATIONS

AIM	Amanah Ikhtiar Malaysia
CIMB	Commerce International Merchant Bankers Berhad
DEC	December
FOA	Farmers Organization Authority
FELDA	Federal Land Development
TEKUN	The Economic Fund for Entrepreneur
PUNB	Permodalan Usahawan Nasional Berhad
RM	Ringgit Malaysia
KKR	Koperasi Kredit Rakyat
MECD	Ministry of Entrepreneur and Cooperative Developments
MFI	Microcredit Institutions
ME	Microcredit Institutions
MARA	Council of Trust to Bumiputera
NGO	Non-Government Organizations
YUM	Yayasan Usaha Maju
UUM	University Utara Malaysia



CHAPTER 1

INTRODUCTION

1.1 Background of the Study

The roles of human resource are really important in every organization. Human resource where built from skilled and non-skilled manpower is core factor of every organization success. Those employees in human resource can be developed by providing training where will gain competitive advantage (Houger, 2006). To reach organization goal the firm must use human resource effectively. The only way to use human resource effectively is by designing human resource management within firm. This human resource department will organize the organization structure and proper plan to achieve organization mission and vision. The organization must provide necessary skills and knowledge to their employees where it will increase employee's performance. There are several evidence shows that training plays a vital role in improving employee's performance.

First, Armstrong (2006) defines training as a well-planned activity to promote learning. It's required a systematic process where the amount of knowledge will be transferred to employees to perform work perfectly. Training conducted to employees so that they will have continues development and keep them competitive and productive. Training defined as an important tool of performance improvement towards employees (Potts, 1998). The

main motive of training is to enable them fulfill future organization needs as to reach companies goals. As the technology is developing employees needs an extensive training to keep them competitive. For example in Hong Kong internet pose as threat to the traditional businesses (Anon, 2000).

Beside that the ultimate reason of training programs is to qualified, competent, and strong personnel in private and public sector (Healy, 2001). Employee's job performance shows effectiveness and efficiency that will help organization to achieve its goals (Asgahr, 2012). Tharenou, Saks and Moore (2007) argue that training shows positive outcomes towards employee's performance.

Training also important for microcredit employees where their staff needed to be train well before meets the clients. Through training microcredit employees could developed quickly achieved prefer level of performance where cannot be reached through experience. The organization weaknesses can be handled through training. Usually during orientation period, training will be conducted for new comers as they will learn about presentation skill, problem solving skill and communication skill as well.

1.2. Problem Statement

To make the process of this small credit loan effective, microcredit employees should trained well to meet microcredit organization client's demands. The amount of knowledge and skill that were injected to microcredit institutions' employees will

determine their level of performance. Therefore training is crucial to overcome weaknesses in microcredit institutions. Furthermore microcredit institutions has always hired entry level employees and gradually mentored them into management positions or key roles over the years. To overcome both problems training session much needed to led employees perform desired level.

Numerous training effective studies been led on this microcredit institutions. Most of these studies examine the effect of training towards overall performance of the microcredit institutions rather than examining effect of microcredit employee's performance. Therefore this research motives to examine the effectiveness of training towards microcredit institutions employee's job performance. The problem statement *"Does the training provided in microcredit institutions improving employee's job performance"*.

1.3 Research Questions

Microcredit institutions are formed to assist the poor and less fortunate with loans scheme in order to establish small scale businesses and services as an effort to generate additional income for them and their families. Microcredit institutions approached the customer target groups through their frontline employees. Currently the repayment rate among the microcredit institutions in Selangor is 98 percent for Amanah Ikhtiar Malaysia (AIM), 92 percent for Koperasi Kredit Rakyat (KKR) and 85 percent for TEKUN. Besides

providing the available fund to the needy, these microcredit institutions must have a high repayment rate from its borrowers.

It is important for the employees, especially frontline employees to be well trained in order to achieve higher repayment rate. Every organization has its own style of training programs to their employees. Most employers have different perceptions about types and method of training needed for their employees in order to produce expected performance. A new comer who joins organization may not have an adequate knowledge either experience to do job perfectly. A comprehensive training needed to make our employees to perform desired level of performance. Employers can increase overall performance and capacity of organization by conducting training programs to their employees.

Training can be categorized as general training or specifics training. General training will be conducted to all types of employees. The purpose of general training is to give new knowledge and skills to employees which can be applied to any types of jobs. Second training was specific training where it will be offered to give new input about technologies either work process to employees. These types' trainings will be conducted to selected employees only. Specifics trainings important for employees where it will add added advantage for the company since this new knowledge cannot be found anywhere else.

Thus this study attempts to explore the relationship between training methods, frequency and selection towards increase job performance among its employees.

RQ1: Does the training methods used increases the job performance among employees in KKR institution in Selangor?

RQ2: Does the training frequency increases the job performance among employees in KKR institutions in Selangor?

RQ3: Does the training selection increases job performance among employees in KKR microcredit institution in Selangor?

1.4 Research Objectives

In line with the problem statement and research questions stated earlier, the research objectives of this study are as follows.

RO1: To explore and describe whether the training methods used lead to increase towards job performance among employees in KKR microcredit institution in Selangor.

RO2: To explore and describe whether the training frequency lead to increase job performance among employees in KKR microcredit institution in Selangor.

RO3: To explore and describe whether the training selection lead to increase job performance among employees in KKR microcredit institution in Selangor.

1.5 Scope and Limitation of the Study

This study was conducted on microcredit employees in Malaysia. The targeted microcredit institution is KKR. From KKR microcredit institution a total number of 40 employees chosen as sample for this study. Besides that, in 1974 KKR was established as cooperative at Selangor state by rubber plantation workers. KKR microcredit institution providing small credit loans to their clients to develop small business. KKR allows interview their employees. But initially the study intends to conduct interview in TEKUN and AIM also. Due to restriction from interview their employees study been trimmed only to KKR employees only.

1.6 Definition of Key Terms

Training – Training explained as developing skills, abilities of employees to do assigned or specific jobs. Training was one of crucial tool to update employee's skill by times to perform work effectively. McGraw, 2000.

Development- Development is a broad ongoing multi-faceted set of activities (training activities among them) aimed at bringing someone or an organization up to another threshold of performance, often to perform some job or a new role in the future (McNamara, 2008).

Employee Performance- Defined as output of workers to reach the goal (Herbert, John & Lee, 2000). Afshan *et al.* (2012) define performance as the achievement of specific tasks measured against predetermined or identified standards of accuracy, completeness, cost and speed. Employee performance can be measured through abilities in handling technology, productivity, and from employee's motivation.

1.7 Organization of the Thesis

The first chapter had described about background of subject of employee training with job performance. In that chapter also mentioned about frequency of training, method of training, selection of training and job performance. In the next chapter literature review about the subject been well explained. The relationship between frequency, selection,

method of training to job performance been stated. Chapter three will present the research methodology that is the research design, population of study, data collection and analysis methods to be used. Chapter 4 will explain about findings and chapter 5 will present conclusion and recommendation about the training and job performance.

1.8 Significance of study

The study investigates the effectiveness of training towards employee's performance. The importance of this study about training in KKR institution will have contribution for that institution to develop systematic training program. Through this study employees in KKR expressed their views about training that been conducted in KKR institutions. The problems been highlighted to employer for the further action. From the study it's been concluded the training program conducted in KKR not systematic and plan as well. The institution must come with proper plan and relevant training program for their employees regards their position dept and sections. Finally results from study could be useful for future researchers for citation and referencing.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter discusses the review of the literature on each variable in this study. The variables are job performance, training methods, training frequency and training selection. The discussion of each variable covers the discussion of the training variables and its association with job performance. A discussion on the microcredit organization also is presented in this chapter. This chapter ends with a summary of the discussion.

2.2 Job Performance

Job performance refers to as an expected level of outcome by organization towards employees over a timeline (Motowidlo, 2003). Every organizations success depends on employee's performance. Employees play a crucial role in achieving organization goals. Most of employers will evaluate employee's performance by a time period to improve their weaknesses. Through their talented employees the firm can lead the market. Special attention must be given to employees to achieve success.

Employee's performance is a task related to his job where how he or she performs and accomplished it. All the activities that conducted in organization cannot define as

performance. Those activities that related to companies' objective such as increase of sales and making profit could assumed as performance (Mwita, 2000).

Employee's performance could be concluded as job outcomes. Kahya categorized employee's behavior as job performance, task performance and contextual performance (Kahya, 2009). Task performance explained as behavior of employees where it's directly involves in producing good either service delivery. Task performance defined as using workers special ability to run the crucial technical process of company.

Besides that, Werner argues contextual performance not plays important role in major task of company but still it's needed as part of completion (Werner, 2000). Task performance and contextual performance easily can achieve. The effect of task performance and contextual performance are on turnover rate, job satisfaction and organizational commitment (Scotter, 2000).

Brown (2008) argues that performance refer to the enforce task and work given by their superior with efficacy. It's also a step to measure employees work performance. According to Hersen (2004), performance refers to the work or action related to assigned duty and how best it's getting done. This differentiates it from more encompassing constructs such as organizational performance.

Baldwin (2008) said it's also known as outcomes of employee work. Outcomes result partially from an individual's performances. Performance does not only considering

outcome of employee action. It can consist of mental productions such as decision making, communication, problem solving among other skills (DuBrin, 2006).

Organization must fulfill and satisfied effective employees as a part talent management. An outstanding performance of workers could impact the production, companies turn over, increase the margin and will make company lead in the market.

2.3 Training

Armstrong (2010), defines training is a set of programmes which is focused on the instructor and contrasts. It also known as learning process that focuses in improving individual capabilities, management performance, and creating talents for future and also react to current necessity (Reynolds, 2004). It's planned to reform employee's attitude at firm where it will accelerate efficiency and upgrade performance level (Oliseh, 2005). This development practices also focused at upgrading workers internal abilities development which lead to greater organizational performance. Training is more to help the workers to explore and gain information, knowledge and skills which needed in performing and being able to improve their abilities to the peak level. Effective training will improve the performance and ability of the employees.

2.3.1 Training Methods

Training could be arranged distinctive sorts by various criteria. As per (Mathis et al, 2008) training classified based on the content of training or focus of the program such as, personal computer, team building, sexual harassment, hiring and selection, new equipment operation, Train the trainer, leadership, conducting performance appraisal, and new employees orientation.

According to (Olaniyan, 2008) training can be classified as on the job training, orientation, apprenticeship, demonstration, vestibule, and formal training. On the job training is where new employees will observe their senior or peers performing the task and will try to imitate their behavior. The employees will become experienced over time due by acquisition of skills. The orientation is where the new employee will undergo this types of training employer will make them familiar with companies ethics, values, rules and regulations.

Apprenticeship is the methods where skilled employee will train, non- trained employee. Demonstration is where skilled employee's specifics task or duties, the new comer will observe closely and will try to understand the task. Vestibule is done through industrial attachment for the purpose of skills and technology transfer. It is therefore achieved through placement of an individual within another area of relevant work or organization. The effect is the acquisition of practical and specialized skills or it is a type of training

which occurs in special facilities that replicate the equipment and work demands of jobs (Mathis, et al, 2008). While formal training is a systematic and theoretical process will be conduct to train employee inside or outside the organization.

It's additionally clarified that training methods that connected has its own impact towards worker's job performance. The vast majority of organizations are searching for financially savvy and right mixed technique that could make their employee understand and well trained thorough training. Work instruction by line-manager and on-the-job training are assumed as an undeniably imperative part in the current financial atmosphere (Blain, 2009). Distinctive sorts of training been assigned with changes of innovation. Fixing right types of training is up to objective of training, trainees selected and training exact intention. Training is a situational process where single training can't be applied to all the training. Some training could accomplish its target by single techniques of training and others are not as its need distinctive sorts of strategies. Many preparing programs have learning objective in more than one territory. When they do, they have to join a few training strategies into an integrated whole (Alipouret *al.*, 2009).

As indicated by Alipouret *al.*(2009) preparing strategies could be named cognitive and behavioural approaches. Cognitive techniques give verbal or composed data, exhibit connections among ideas, or give the guidelines to how to accomplish something. These sorts of techniques can also be called as off the job training methods. In other hand, behavioural techniques enable learner to practice behavior in real or simulated fashion.

They stimulate learning through behaviour which is best for skill development and attitude change. These methods can be called as on-the-job training methods.

2.3.2 Training Frequency

The consistent training for employees are mainly for increase knowledge's and skills, and to change attitude and behaviours. It is one of the most important potential motivators which can lead to many possible benefits for both individuals and the organization. Technology are improving and changing by time. A regular and frequent training to employees are needed to cope with new process and production techniques. According to Cole (2002) training can achieve high morale among workers, cut cost, lower turnover, change management, provide recognition, feeling of satisfaction and improves talent.

High morale is where workers who are attended learning and development activities consistently will perform better and confident. Training could also cut cost by training risk could be avoided and material will be utilized maximum. Training would lower turnover where employees' absenteeism will be reduced and in the same time employer turnover will reduce. Training could assist change management where training will give input to employees regarding transformation of organization and will educated employees with right abilities and skills with organization changes. Training also would provide recognition where it will create sense of responsibility among employees and rewards will be added. It would give a feeling of personal satisfaction and achievement, and

broaden opportunities for career progression. Training also improves talents in organization.

Employee future performance depends on frequency and duration of training provided by organization to employees. Employees who undergoes training frequently will have upwards trends of performance level prefer to employees who attending temporary training. Employees could increase their performances and master component of skills by attending regular training (Dutton & Thomas, 1984).

Additionally, this relationship shall be proposed to be moderated by job tenure, the half-life of knowledge, and task complexity. Job tenure or employees turn over are totally depends on the training effect duration (Nembhard, 2010). The “half-life of knowledge” can be defined as the amount of time over which the trained skill is applicable on the job. It relates (inversely) to change in technology and in products or services marketed, advancements in professional expertise, and temporary needs for skills. The relationship between cumulative task experience and performance is weaker to the extent task experience dates back far (Benkard, 2000; Kleiner, Nickelsburg and Pilarski, 2012; Thompson, 2007). In case if job tenure and half life of knowledge tends to be short, the training effect to employees won’t last long. The continuously of learning and development activities for employees has longer effect on employee’s performance (McIver, 2013). Qasim saleem and Mehwish Shahid (2011) found in the degree of influence of training on employees performance are positive. Those employees who

undergo training regularly have good knowledge and skill of job. Training had developed employee's ability towards job.

2.3.3 Training Selection

As suggested by Monappa and Saiyadin (2008) and Sinha (1974), different types of training need analysis must be conducted. Among are those proposed by the line managers which include performance appraisal, organization and developmental plan. On top of that, the views of the training manager on analysis of job difficulties and job description are also conducted. Based on points listed training or selection of participant will be decided by employer.

Thayer and McGhee proposed a model where the analysis of the training needs is based on organization analysis, task analysis and man analysis. This model agrees with the position of Cascio (1992), as found in his book "Managing human Resources: Productivity, Quality of Life, Profits". Cascio then explains as follows: Organizational analysis: Here the focus is on identifying where within the organization training is needed. These training needs are assessed against the organization's objectives and strategies. This would help avoid wastage of resources in training where employees are trained in skills they already have or that are not transferable to the job situation. Again there is the need to analyze the external environment (environmental scanning in PEST analysis) and the internal climate (SWOT analysis) of the organization. This is the critical

first step for HRD personnel in assessing and relating training needs to the achievement of organizational goals. Operational analysis: This is the stage which assesses painstakingly the job to be performed after the employee had been trained. This stage's process is made up of (i) the systematic collection of information on exactly how the job is done (job analysis). (ii) from the above a performance standards for those jobs to done are determined (iii) how tasks are to be performed to meet standards and (iv) the knowledge, skills, abilities and other characteristics necessary for effective task performance. The required information for this stage could come from various sources such as: Job analysis Performance appraisal Job description Interviews with job holders, shop floor supervisors, higher management and an analysis of operating problems (quality controls, monthly, quarterly reports). All of these would provide very important input into the analysis of training needs. Individual analysis: At this final level / stage training needs could be defined in terms of (a) Difference between desired performance and actual performance from a performance appraisal report (b) Performance standards identified in the operational analysis (c) Individual performance data from performance appraisals (d) Diagnostic ratings of employees by supervisors (e) Records of performance kept by employees in a diary form and (f) Attitude and interview survey by researchers and management From the above processes the identification of a gap existence between actual performance and desired performance may be filled by training. (But remember it has been mentioned earlier that training does not provide solution to all performance problems hence the use of the word “may” this last paragraph). For Dessler (2008), the whole process of training needs identification and analysis could be broken down onto

two (2) stages only: 1. New employees:- the task here is to determine what the job involves and break it down into subtasks which are taught to the new employees and 2. Current employee:- training needs analysis for current employees is more complex since HRD department and supervisor have the added task of deciding whether training is the solution to the whatever performance gap exist. This again is important (as its been emphasized) given the fact that not all problems could be solved through training. Training needs analysis could also come from what Dessler called a “competency model”. This model means knowledge, skills and behaviors that enable employees to effectively perform their jobs. This process begins with interviewing senior executives to understand the organization’s strategies and objectives. HRD experts would then conduct behavioral interviews with the jobs to performers (bench marking) as well as focus groups to identify the set of competencies that together would comprise the job’s competency model. Ivancevich (2010) adds that, interviews, surveys, reviews of records, observation and discussions with management and subject matter experts are methods used to conduct training needs identification or assessment. These methods of data and information gathering provide the basis for what type of training would be needed, who should be selected for training, when the training must be done and finally whether training is the solution to the deficiency identified and therefore the solution.

2.3.4 Impact of Training to Job Performance

Training factors in human resources are rationale to build workers aptitude and information's the place it will give constructive outcome in one organizations success. In human resources administration learning and improvement assumes pivotal part. This learning and advancement exercises imperative since it will help workers to adapt to innovations redesigns, which will influence one organization to lead it rivalry, satisfy client's desire and in a same time it will cut the production cost. Learning and improvement are essential since it will make all the more new occupations in each association. Learning and development activities play a crucial role as in term of succession planning where organization will build employees to hold key responsibility in organization. Guest (1997), says that learning and advancement program in an instructive approach in expanding knowledge's, abilities in order to deliver best results in work. Special abilities will be instruct in learning and advancement exercises where it will used to handle issue emerges in representative's work. Development in employee's growth and increasing future performance will cost more to organization. The educational process in firms mostly arranged to meet the desired level of employee's performance. Hameed A. furthermore, Waheed A. (2011) learning and advancement exercises will offer representatives assortment of aptitudes and proficient which it will choose by workers themselves.

An organization prosperity or disappointment is subject to it really relying upon the worker execution. These the primary motivation behind why organization spending such an extensive amount money in learning and improvement exercises. Many firms see learning and advancement exercises as fundamental parts of human resource management improvement. In past years it's demonstrated the attention on training exercises among employers expanded. But most of employers will choose few only to attend the training and perform the task with given knowledge.

Kinnieet *al.* (2003) says that human resources practice and management advancement has coordinate relationship. Learning and improvement exercises caused organization transforms into learning laborers. In United States, as indicated by one innovation is deskilling 75% of the populace. This is valid for the creating country and for the individuals who are on the limit of advancement. Employee's development is more critical for worker to improve their aptitudes and redesign their current information with a specific end goal to perform better. Employee's development is critical not only for proficient but rather likewise self-awareness of worker. Employee's development exercises plan people for antagonistic conditional and unexpected circumstance. Each worker likes to obtain new abilities and learning's while at work. A feeling of pride creates when they feel their organization is contributing time and assets to prepare them.

Sultana *et al.* (2012) employee development is basic for bringing the best out of worker. Employee development makes a learning society in the association where each

employees are inspired to learn new abilities and get new skills. Employee development activities and training help the employee to conquer the separation between their current stage and enhance their capacity. Elnaga and Imran (2013) considered the training on employee performance and give recommendations with a specific end goal to improve the execution of the employee by effective training courses. Training will develop employees' personal abilities where employees are able to handle any worst situations by themselves without depends on their superior. Organization who prepare their workers every once in a while don't confront the issue of worker wearing down. As indicated by Farooq and Aslam (2011) training will improve a good relationship between employees. Thought training employees will tend to communicate each other very closer prefer than working inside workplace. They don't dither to share learning pass on applicable information and even prepare to guide their fellow colleagues.

According to the research if organizations spend their resources in precise and accurate category of employee training it may develop employee performance along with their skills and competencies. Besides, preparing is pictured as an accommodating method for manage the progressions developed through technological advancement and innovation; market rivalry, organizational configuration and most noticeably it plays out an essential part in upgrading employee execution. The generally incorporates authoritative procedures and ethics in execution of obligation.

Training will teach and trains worker to gain knowledge and understands about job profile. Fakharet *al.* (2011) workers can perform at a quicker rate and with efficiency increase along these lines expanding over profitability of the organization. They likewise increase new strategies of conquering challenges when they confront them. Preparing and improvement need to emerge because of few variables. A large portion of the organizations need to upscale their productivity. It fundamental to expand productivity and diminish cost of production to sustain with rivalry in the market. Viable training can help build profitability of worker by conferring the required abilities. Customers now days are giving special attention to quality and their trend is changing by time. To give a great pleasure to customers the quality of product must improve steadily through learning and development activities.

Deliberate training through by trained instructor is fundamental to diminish the training time frame. On the off chance that their employee learn through trial and blunder, they will take a more drawn out time and even will most likely be unable to learn right strategies for doing work. Trained employee can deal with the machines safety. They likewise know the utilization of different safety gadgets in the plant. Hence, they less inclined to industrial accident. Training additionally decrease of turnover and absenteeism. Training gives them a security at the work environment. Thus, work turnover and non-attendance rates are decreases. Training additionally can be utilized as a compelling device of arranging and control. It creates abilities among representative and sets them up for dealing with exhibit and future employments. It helps in lessening the

expenses of supervision, wastage and industrial accident. It additionally helps increment profitability and quality which are treasure objectives of any modern day organization.

As indicated by research those workers who have gone to tremendous number of training were discovered more competent while performing the assigned tasks as contrast with the individuals who didn't go to any training. U.S. firms spent about \$156 billion on employee learning in 2011, the latest information accessible, as per the American Society for Training. Be that as it may, with practical follow-up or significant evaluations, 90% of new abilities are lost inside a year, some research recommends. a professor of organizational psychology at the University of Central Florida and a program director at its Institute for Simulation and Training, has studied corporate training programs for more than two decades. What occurs previously, then after the fact a training course, he says, is similarly as imperative as the actual instruction itself. There are various myths that organization has about training.

The first myth is if you send an unskilled employee to training, when they come back there is immediately a changed, improved, skilled worker. That is an erroneous assumption. It is much more complex than that. In this day and age, companies in general still have very simplistic views of training.

A viable worker evaluation is an intelligent procedure where the manager gives his contribution on the employee performance, and the employee finds the opportunity to call attention to what they have learned consistently. Managers make an arrangement alongside the employee for the coming year on how the worker can create and enhance their execution. Thorough worker assessments are vital in employee development and improve their performance. It is foremost to recognizing skills decay. Appraisal ought to be done consistently, both formally and informal. Training program must be engaged and assessed so as to cross check the adequacy. This assessment may be done through execution examinations and key performance indicator. This procedure gives advance answers for handle the issue or adapt up to comparative issues emerging later on. This assessment upgrades the preparation procedure and results as well as help in expanding motivational level of employee. There are a few variables which influence employee performance, for example, instance motivation, training, work environment, technology and behaviour of management. Each factor has different level of impacts on the performance of employee.

Khan (2012) by improving employee's knowledge and skills it's being a great opportunity to grow their carrier path. In truth, this opportunity for continuance enhancement through training is a stand out factors for employee inspiration. There are a wide range of approaches to make employee training more effective for the manager and less debilitating for the employees. Absence of worker inspiration in training can prompt different issues. The widely recognized issue is engagement. Acemoglu and

Pischke(1998) engagement is a view point which keeps your workers intrigued. If employer prefers to develop employee's thorough software training, various types of application are available. Morale is another motivational issue employees who are loves their jobs will work harder to accomplish organization motive. However, it is important to understand that employee motivation should target both managers and employees.

The significant advantages of training programs are that the employees who are prepared need lesser supervision than the individuals who are not. A trainee procures new information, skills and attitude and applies them in work circumstances effectively. Training is an approach to make the certainty among the employee, so they can operate the assignments with no obstacle with all productivity and viability. Along these lines, training is outstanding investments of a business organization and a great way to expand the span of management. Industries are always showing signs of change thus it is vital for a business to create to abstain from being deserted. An effective training program will achieve both employee's personal goal and corporate goal.

Other than that, having a solid and fruitful training system builds up their employer brand and make company a prime consideration for graduates and mid-profession changes. A vigorous training program guarantees that workers have a consistent experience and background knowledge. The consistency is especially important for the organization's fundamental strategies and systems. All workers should know about the desires and systems inside the company. Increased efficiency in forms brings about profit for the

company. Training likewise expanded profitability and adherence to quality standards - efficiency typically increments when an organization actualizes instructional classes. Expanded proficiency in procedures will guarantee extend achievement which thus will enhance the organization turnover and potential market share. It's also increased innovation in new strategies and products - Ongoing training and up skills of the workforce can encourage creativity. New ideas can be formed as a direct result of training. Through, learning and development programs employees able to improve their skill and knowledge. The results were largely influenced with profitability. It's a great way to achieve overall organizational development, effectiveness and efficiency in a desired manner.

2.4 Micro Credit Institutions in Malaysia

The principal of microcredit was introduced in Malaysia about 30 years back. Microcredit can be separated into two classes, banking and non-banking institutions. In banking line Public Bank, Am Bank, EONCAP Islamic Bank, CIMB Bank, Alliance Bank, Bank Simpanan Nasional, United Overseas Bank, Agro Bank and Bank Rakyat are among the institutions that provide microcredit advance while non-banking institutions incorporate of NGOs, government offices and credit unions. NGOs that give microcredit services are Amanah Ikhtiar Malaysia (AIM) and Yayasan Usaha Maju in the meantime in government offices that offer microcredit projects are TEKUN Nasional (TN), Council of Trust to the Bumiputera (MARA), Farmers Organization Authority (FOA), Federal

Land Development (FELDA) and Permodalan Usahawan Nasional Berhad (PUNB). Koperasi Kredit Rakyat was one of credit union that offers microcredit services in Selangor.

2.4.1 TEKUN

The foundation of TEKUN Nasional was a result of the Penang Bumiputera Economic Convention determination in 1994. The determination proposed a framework that helps smaller scale business visionary to get a simple and speedier financing capital without any burden on the business personnel. In this manner, on 1995 the Research Center of Science University of Malaysia framed a research group to complete TEKUN venture in Penang. The undertaking was proceeded to Jeli, Kelantan in 1996 take after by Besut, Terengganu in 1997.

The outcome found that the borrower could pay back their credit consistently and enhance their business exercises. Taking after the accomplishment of these pilot projects, the Government chose to actualize the TEKUN idea all throughout the nation to help the small scale business people. TEKUN national establishment was built up and it's set under the Ministry of Entrepreneur and Cooperative Development on November 9, 1998 and started its operation on first February, 1999. The principle target of TEKUN is to give simple and quicker small loans to bumiputera and guide them as well. The goals of TEKUN system are: (i) to offer extra capital financing to small bumiputera

enterprises;(ii) to motivate TEKUN clients to do savings; (iii) to make business opportunities and system of Bumiputera business visionaries; (iv) to create TEKUN business visionaries who are focused and effective, and (v) to cultivate entrepreneur society among Malaysian.

2.4.2 Koperasi Kredit Rakyat (KKR)

Another source of microcredit is the credit unions. KKR operates in rural town of Batang Berjuntai, Kuala Selangor district. KKR started as a youth Social Club, which endeavored from 1970 to 1974 to improve the living style of estate workers through providing tuition, tailoring classes and kindergarten for their children. In 1975, the club was registered as a credit cooperative under the social act and became a network member of the Credit Union Promotion Centre. KKR sent a numbers of young officers to the Philippines and India to undergo training on the cooperative Movement. Three co-operative projects were initiated from 1975 to 1980 and the idea started to spread to neighboring village, estates, mines and rural towns. By end of 1995, KKR had organized credit unions in 40 communities benefiting 2060 members.

The decision making process of KKR was decided by committee members itself. These sub-committees meet once a month. There is also the area committee general meeting and the Annual General Meeting where members can voice their concerns and elect members from this various sub-committees.

2.5 Summary

This chapter had discussed the variable of this study which are the training methods, frequency and selection and the impact of these to employees' job performance.



CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the research framework, this study proposition development, research design, research instrument developed and used to collect the primary data, the selection of respondent will explain about methodology that been used in this study. In this chapter it's stated about sampling methods, data collection, data analysis, processing and the place this study been conducted. Beside that this chapter also will highlights the obstacles been encountered while collecting data.

3.2 Research Framework

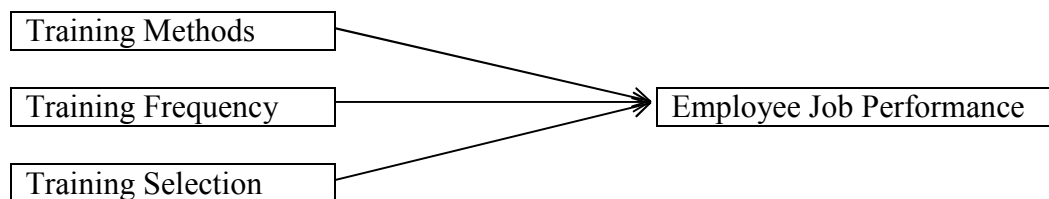


Figure 3.1
Research Framework

The above figure is the research framework for this study based on the problem statement and literature review discussion in earlier chapter. The training aspect is divided into three

main elements which are the training methods, training frequency and training selection. The focus of this study is to explore the employees' training methods, training frequency and training selection towards KKR employee job performance..

3.3 Proposition Development

The following are the research propositions develop for this qualitative study based on the literature review conducted.

Proposition 1: Employees believe training method could increase employees' job performance

Proposition 2: Employees believe training frequency could increase employees' job performance.

Proposition 3: Employees believe training selection could increase employees' job performance

3.4 Research Design

This study adopts the qualitative approach. It employs the cross-sectional descriptive qualitative research approach where the main data collection method is using the field data collection using the face-to-face interview with the respondents guided by the open-ended questions besides the observation carried out by the researcher. The respondents of this study belong to the lower income group and some possess a limited capability in responding to a written questionnaire. Thus in order to gather the information, the qualitative approach is seen as the most appropriate method.

A research design is a logical and systematic plan prepared for directing a research study. It is a program that guided the investigator in the process of collecting data, analyzing and interpreting observations. This research is a qualitative study and uses the 'case study' method to collect primary data on the research questions being investigated.

The qualitative method used for the research finding as the source of the finding come from open-ended questionnaire, literature review from articles and internet sources, numerical and non-numerical data. Questionnaire provided to two microcredit institutions employees to analyze performance of employees respectively. To get right answer for the questions provided through the open ended questions in this research followed qualitative research approach. This kind of study can use semi structured, unstructured, interviews and questionnaire (Ghauri & Gronhaug, 2005).

KKR is credit union and cooperative where it's started by rubber plantation workers in Selangor state. This research had chosen KKR for examination where institution have high loan repayments default.

3.5 Focus of Study

This study was conducted on the management and employee in KKR microcredit institutions headquarters office over five month's period during the study was conducted.

3.6 Research Instrument

The research instrument used in this qualitative study is the open ended questions aim at employees.

List of open-ended questions to the employees:

1. Has the employees' job performance improved since they join the organization?
2. What is the training methods used for the employee?
3. How frequent do the employee have to undergo training?
4. How this organization select employee for training?
5. Is there an improvement in your job performance since you join the organization?
6. How effective is the training methods used in the training?
7. How often do you have to go for training?
8. Can you select the trainings that you want to participate?

3.7 Data Collection

The focus of this qualitative study is on KKR microcredit institution that provides small credit services in Selangor. KKR is a co-operative based organization. KKR treasurers are used instead. The treasurers are not employees but members of the co-operative who played the role of promoting and collecting back the credit facilities from borrowers.

3.7.1 Data Collection Procedure

Microcredit institutions were approached for approval of access. KKR has agreed to give access to both the management representative and their treasurers. The main method used to collect information for this study is the personal face-to-face interview method. This method is the most appropriate method to gather information where there are little secondary available regarding training and job performance for the microcredit institutions. The list of questions formulated earlier served as the guidance during the interview sessions held.

The f interview was with the employee's representatives from KKRmicrocredit institutions. KKR was represented by the Head of Administration and the Senior Treasurer. Unfortunately, no audio recording was allowed during the interview and the researcher sought by taking down notes throughout the interview.

The second round of interview was with the treasurers of KKR. The researcher is able to gather about 40 treasurers from KKR for interview with some assistance from KKR administration office. Majority of the treasurer are with high school education level and thus the interview need to suits their level of understanding. All interviews were recorded and summarized at the end of the interviewing session.

3.8 Technique of Data Analysis

The case study method was used in order to collect the primary information from the respondents. The interviews were later transcribed into writing. The data were later were analyzed using content analysis and logical analysis techniques

3.9 Summary

This chapter discusses the research framework for this study, the research instrument which consists of open ended questionnaire, the data collection procedure and the technique of analysis on the interview data collected.

CHAPTER 4

RESULTS AND DISCUSSION

4.1 Introduction

This chapter covers the discussions on the interview data collected, the treatment carried out on the interview data before the data are analyzed. The discussion on the findings is divided into the two types of respondents in this study, which are the managers and employees in the microcredit institutions selected for this study. A summary of the chapter ends the chapter.

4.2 Data Preparation

Face-to-face interviews were carried out with both the management and employee representative. Approval was sought in order for the interview to be recorded. KKR has agreed that the employees and employer to be interviewed. KKR gave their approval for the interview to be recorded with both the employer and employee representative. Each interview conducted was later transform into written interview script for data analysis purposes.

4.3 Background of Respondents

The following are the detail description of the two types of respondents in this study.

4.3.1 Employee Representatives

A total of 40 microcredit employees responded to the interview. These employees were selected according to the need of research. An interview been conducted to key personnel in admin department for the research. All the data collected been explained in this chapter in detail and supported by table and graphs as well. The main objective of this dissertation is to evaluate the significance of training in microcredit employee's job performance development. The interpretation and discussion been delivered in this chapter in order to understand the result better. The following graph above its shows 67% respondents were male and 33% females. The results proves that more male workers involves and working in microcredit institutions. A detailed explanation taken from below mentioned employees:

4.3.3 Age

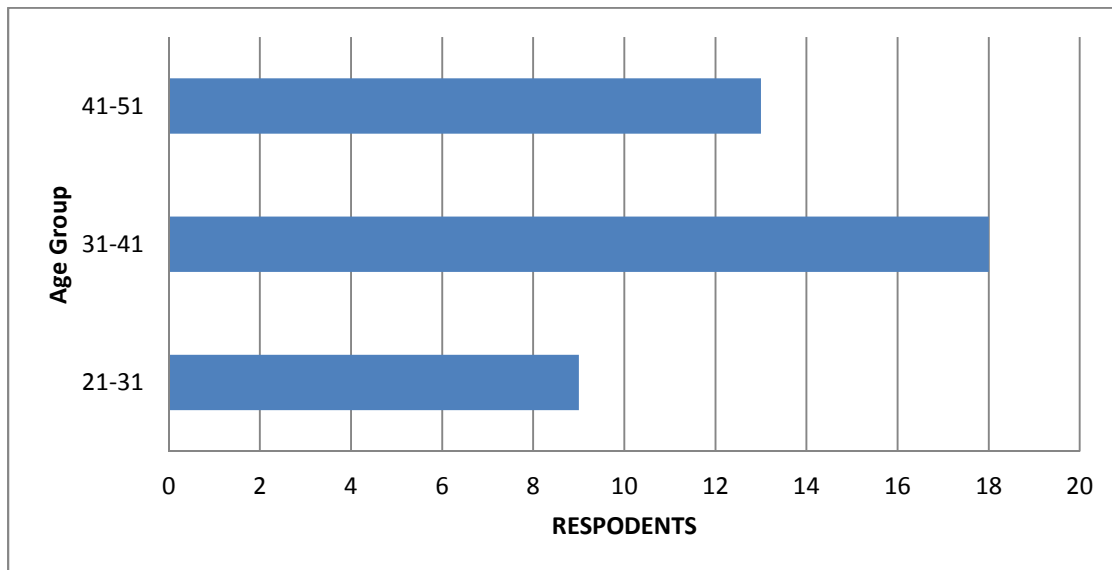


Figure 4.1
Age of Respondents

The result indicates the majority respondents are from age group of 31-41. The second was the age group of 41-51 where they leading than young generations. The microcredit institutions need to recruit more young talents to develop the institutions. Institutions should hire young energy as a part of succession planning where they will perform key positions in future. To retain the microcredit knowledge within the institutions they should organize training like coaching and mentor mentee. These trainings directly could deliver knowledge from trainer to trainee with better understandings.

4.3.4 Years of Working

Table 4.1
Years of Working

Years	Frequency	Percentage
1-3	5	12.5
4-7	12	30.0
8-11	19	47.5
12-15	4	10.0

Working experiences was also taken into account. It's important to know how long particular respondents worked with organization where its enable to put their feedback into proper perspective. The minimum range of work was 1-3 years where around 5 employees representing it. The highest employees working range years in organization were between 8 to 11 years. It's representing around 19 employees. Second range was 4 to 7 years was selected by respondents which is amounted 12 employees. Form the data explanation we get know that has a blend of experienced and young staff that requires constant training to update their skills so as to perform well in their job.

4.3.5 Education Level

Educational factor play a crucial role in this research where it helps to determine what training techniques and ways to conduct or may appropriate for the microcredit employees.

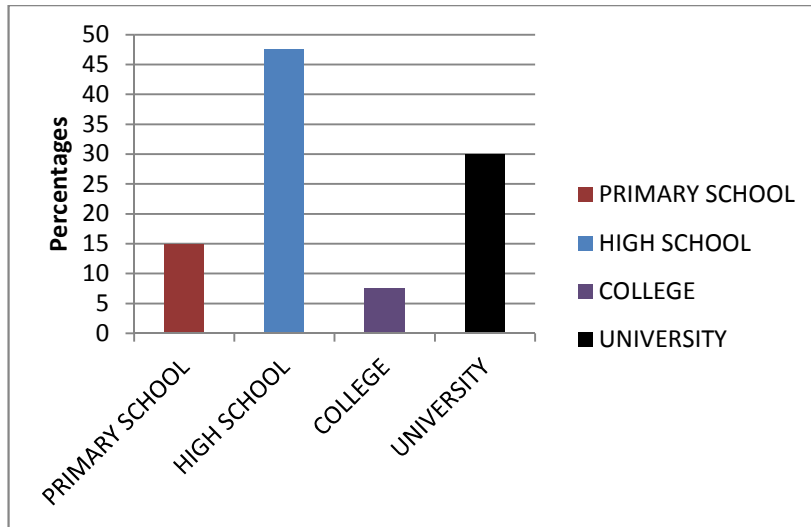


Figure 4.2
Education Level

The graph reveals microcredit respondents education level. From the chart its show around 47.5% has high school qualification, primary schools 15%, and the lowest was primary school amounted 15%. However around 30% had degree from respective universities. The result clearly shows training important for microcredit employees where most of employees are from low educational background. To overcome low productivity and lack of skill of the employees the institutions should provide relevant and continues training for them. A good training will improvise employee's knowledge and job performance.

4.4 Results and Discussion

The discussions on the results are presented according to each of the variables through the list of open-ended questions and the feedback received from the employer and employees.

4.4.1 Employees' Job Performance

(i) Employees Responses on Employees' Job Performance

The management from KKR indicated that training is provided for all new comers. After some time the organization feels that it is a necessity to provide training for all the employees. The organization started provides necessary training for the employees depends on allocated funds. The training provided in microcredit institutions is not systematic. Employees are not given training needs form where the management could carry out the training need analysis. Training is also not well planned as there is no specific department or administration staff to handle the training programs for employees. This senior administrator is in-charge of many administration matters and it is very difficult for the officer to focus on the training need of the employees.

KKR, among of the organization main concern is about the rate of repayment from borrowers and employees and training are specifically in areas related to the issue. Furthermore its also mentioned that although there are good training programs planned

for the employees but some of the employees refused to join the training programs as the employees felt that the training are not interesting and take up a lot of their time. Whereas in KKR, as a co-operative, the available fund allocated for training and manpower to conduct it is very limited. Therefore the selection for training usually is offered to the employees who have been with the organization for quite some time.

It could be concluded that the manpower and funds are the major problem facing by microcredit institutions in providing training for the employees. Even though common training program also increases staff knowledge; a specific department is required to provide more specialized training to employees. The knowledge and skill are major factor which is core factor that influencing the success of organization.

When these particular questions point towards head of admin the responds was very unique. As per him the training development program in microcredit has a big influence in enhancing employees' job performance and organization effectiveness. In this challenging era the competition was very tuff and work load get increasing. To tackle this issue training is important for every organization. The microcredit clients are increasing and in the same time a lot of problems arise. Training is important for the employees especially for new comers where they need proper guidance to handle all this problems.

The senior officer also admitted that the performance of staff who attended training improved prefer to before. The employees who attended training able to work with less

supervision and they are up dated with new technologies related to their job. It's also known from interview, training improved employee's performance. Management felt that training has indeed improved their employees' job performance. The employees felt that their work looks easier and can do faster prefer to before after attending the trainings.

When asked whether the training activities in the microcredit institutions imparted you with new skills and technical knowledge for performance, the employees indicated that the training provided to microcredit employees provide them new skills and knowledge to perform their work better. After interview with head of admin and some treasurers its get to know that trained staff performs better than untrained staff. Those who attended training could do multi skilling with confidence. The trained employees could do handle their microcredit clients perfectly and able to convince them to pay installments by time. A good persuader and motivated staff are important to empower this small credit employees push hard in their business. After attending several training related to their work staff could boost clients' motivation towards small businesses and could guide them as well. The lack of knowledge about microcredit policies and schemes within staff make they always refer to senior before take any decision. After attending training its show these trained staff can handle clients with less supervision. The head of admin also stated the trained staff could handle a microcredit client from beginning until end in providing small credits loan.

The employees are also asked regarding their satisfaction with the training activities in the microcredit institutions. The employee will feel satisfied when the job he is doing comfortable for him. When the job gives him satisfaction the particular staff will work harder and get promoted. Trained and developed staff becomes more confident and motivated and lead to more satisfied employees who perform at expected levels. From the interview with employees it's also incubates certain promotion been awarded to those attended training and perform excellent in their work. The respondent state that they were satisfied with the training activities in the microcredit institution.

When asked whether the methods used during training have any impacts on the employees' skill, the head of administration indicated that training provided to develop employee's skills shows positive outcomes. The employee who are joined training responded that their skills and competence level has improved as a results gained from good trainings program. He also added the area such as communication skills, product knowledge, problem savings, and team work among other areas has been improved through skill development trainings. Directly linked to improved skills and competencies is performance

It has proven through an increment in microcredit participants. A good training positively contributes to quality of employee's knowledge, skills and capability and will yield high performance in job. He further elaborate the concept by stating that training facilitate organization to recognize that its workers are not performing well and a thus

their knowledge, skills and attitudes needs to be molded according to the institution needs. This is because lack of skills may cause poor performance and employees will feel less motivated. To build the confident within employees we will send them to training. The employees who attended training will work effectively with less supervision where they know the process and what they are doing. Skill based training mostly we provide during beginning of employment so it will be easy for them to handle the microcredit participants. When they have the right skill they could deliver right knowledge to participants about the microcredit services. It not only improves the overall performance of the employees to effectively perform the current job but also enhance the knowledge, skills an attitude of the workers necessary for the future job, thus contributing to superior organizational performance. Through training the employee competencies are developed and enable them to implement the job related work efficiently, and achieve institution objectives in a competitive manner Those employees who are talented has good record of repayment where most of their clients success in their small businesses

The feedback from the treasurer has emphasized that the training has positive impacts towards employee's job performance. *"From the training I've learned basic tools about credit union culture and works. The in house training provides new skills and knowledge about collecting repayment from clients and it's also increase our monthly collections"*. Moreover it's also enables employees to deal with customer with effective manner and respond to their complaints in timely manner. As teaches in trainings some old tricks been changed to fasten the collections. As last time we collects cash from customers and

now it's changed where customers can deposit or transfer to our account which save our time and cost of transportation. The technical knowledge about microcredit has been learned through trainings. This kind of knowledge makes staff to be efficient and effective. Training has proven that employee's skills upgraded. Those employees after training could do work faster and timely. Based on her the impact on skills we only can determine after few times completed the training. Moreover its take time to master certain skills such as repayment calculation, profit, presentation and so on. We only can assume that particular employees skills upgraded based on time he takes to complete cases and assigned task. Further more effective employee training leads to an increase in quality goods and services as a result of potentially fewer mistakes. Employee with perfect skills will do fewer mistakes in their job.

While the senior treasurer has indicated that *“Training had improved my knowledge about cooperatives”*. After attend on the job training I could handle clients alone. I'm not referring my superior always as before. For certain issues I can come up with my own solution. So basically training gives us new skills. By time being our extra knowledge been gain through attending training in KKR”.

4.4.2 Training Methods and Job Performance

(i) Employees Responses on Employees' Training Methods

Head of administration responded that the management always looking for right blend of training methods to maximize the effectiveness of training. Therefore management always goes for best methods of training to their employees. As a cost effective and effective technique the management has several methods of training to their employees. The management prefers in house training where they accumulate everyone in the training. In-house training was less expensive compared to outside training. Most of training conducted in these institutions is in presentation form. This technique makes communication easier since it is nonthreatening with no one right answer. It is cost effective, especially if trainers have their own stories to tell. Stories can also make sessions more personal if they involve people trainees know. During presentation participants able to questioned trainer in case they don't understand certain parts. Moreover to be effective we always provides on the job training which is not formal. On the job training effective because trainee will hands off on that particular time which helps them to master those skills or task faster. During on the job training it's easy for trainer to guide employees and trainee can clear all doubts on time.

Even there is several methods of training conducted in institutions but its depend on type of training intended, the trainees selected, the objectives of the training program and the

training method. Training is a situational process that is why no single method is right for every situation. While some objectives could be easily achieved through one method, other objectives could necessitate other methods.

The treasurer commented that most of training conducted in institutions was inform of presentations and discussion. The instructors will use projector to train us. The trainer will use good techniques like storytelling to get audience attention. Presentation is an efficient method for presenting a large body of material to large or small groups of employees. Trainees could clarify their understanding through the question and answer sessions. Meanwhile usually first session will be conducted in presentation mode and second session they will break us into small groups. Each group will stands from senior and junior staff. Some case study will be given and we will get different opinions from different groups. This is a good idea, for knowledgeable veteran employees to transfer and share their experience to newer employees

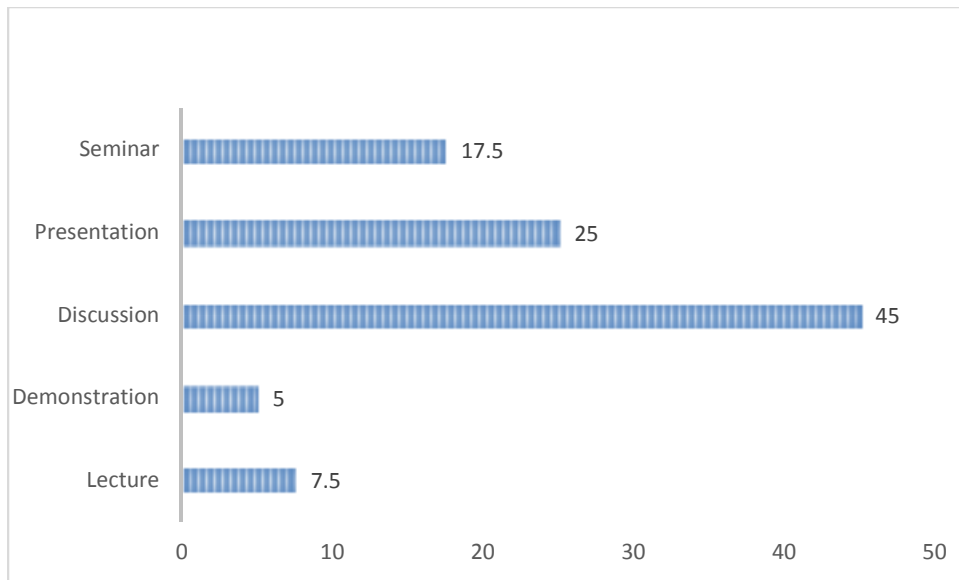


Figure 4.3
Methods of Training

Most of respondents' were chosen discussion type of training provided where it represents around 45%. The seminar methods of training represents 17.5%, lectures represents 7.5% and demonstrations 5%.

These results indicate that the case companies strongly emphasis discussions and presentations. Discussions and presentations type trainings enables respondents join in discussions have better idea and solutions about their work. Furthermore discussions and presentations type training chosen mostly because the nature of the business of microcredit institutions where these employees are customer oriented. They will do presentations with clients to make them understand better about microcredit policies and schemes.

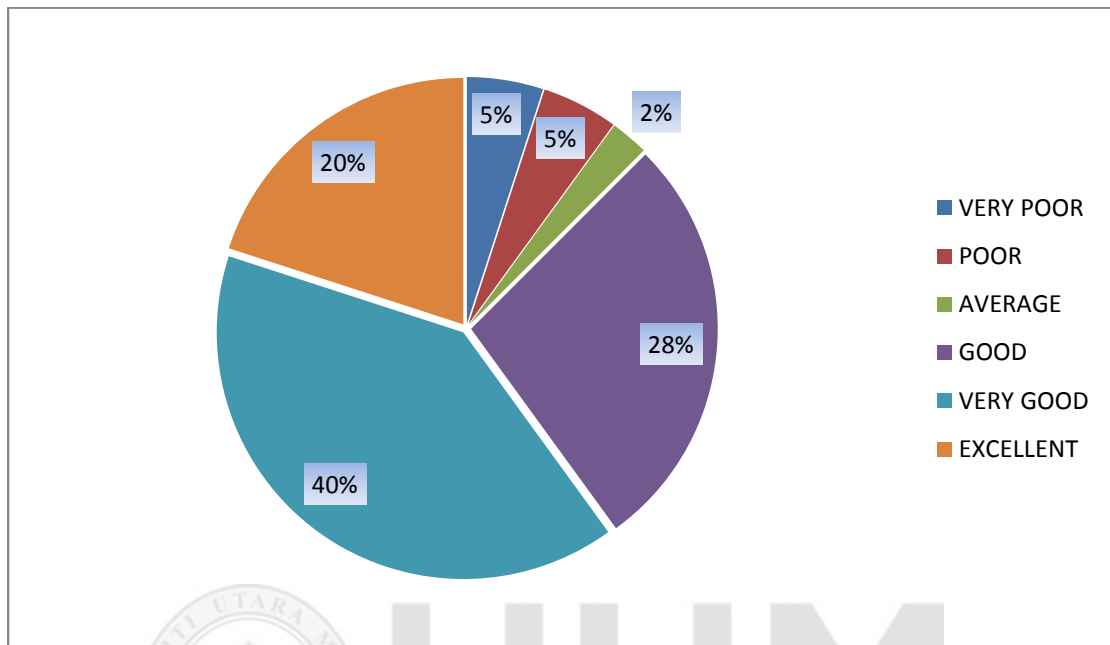


Figure 4.4
Quality of Training

The above figure illustrates participants results over quality of training provided in microcredit institutions. From the findings we conclude that majority of respondents are selected very good (40%). Following of that 'good' been chosen by 28 % of respondents. This result indicates clear deliverance of training content and/or substance to the trainees during the training program.

4.4.3 Training Frequency and Job Performance

(i) Employees Responses on Employees' Training Frequency

Head of Admin— as told by him, training will be conducted in microcredit institution depends on funds, plan, position, and based on certain criteria. Those training which is held on outside of microcredit institutions normally will be organized onemonth once. Since KKR has many branches specific candidates from chosen branches will be taken to these trainings. Every year 3 times once employees will be sending to Maktab Koperasi Malaysia for training. This training will be scheduled by management for employee's benefits. Branch head, treasurers all will join these trainings. Since the trainings conducted by Maktab Koperasi Malaysia, its cant be attend regularly by employees. We will send those treasurers for these kinds of trainings. Nevertheless management also will consider those who are performing good will chose to attend these trainings.

For internal trainings usually all employees required to attend in microcredit institutions. The internal trainings usually will teach them basic skills and missions of microcredit institutions with concept too. Every Jan usually we will conduct one general trainings for all employees and all employees must attend this trainings. Some employees won't attend the trainings. If management has more funds the training will conducted with long period around two days or three days. These kind trainings can close up all the employees' by team work and understandings. As we can confirm at least each employee will be given

chance to attend training at least once a year but it depends on employee's decisions and interest. Those who are asking more training we will consider and will try sending them external trainings to improve their skills and knowledge.

The Senior Treasurer stated that when it come to the number of times employee were involved in training, majority of the respondents indicated that they underwent training for several times while others said twice or once. A few number of employees said they never attended any training session. On existence of training policy, the respondents said that it existed but it only benefited a few fellows from specific departments, that the policy was not effective and that the company lacked funds to implement the policy. A few individuals said that the policy was not in existence.

4.4.4 Training Selection

(i) Employees Responses on Employees' Training Selection

The head of administration indicated that some important factors about joining training by employees. Usually those who are newly join will undergo on the job training. This training is compulsory to all new candidates. *This kind of training conducted to all new comers as to familiarize them with microcredit institutions vision, mission, practices, rules and regulations and working conditions. All the new comers must participate in this training.*

As for existing employees the training provided depends on management decisions and availability of funds. When questioned when u will train existing employees?

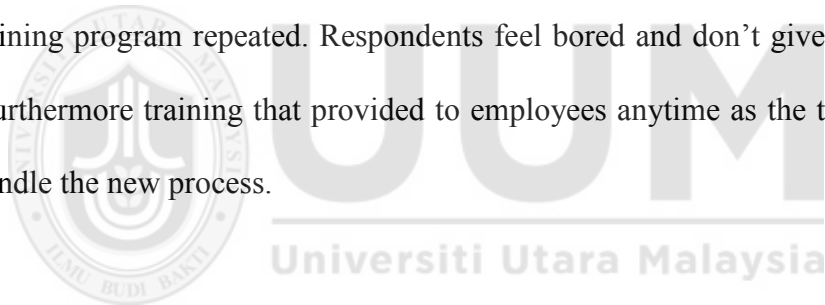
He answered the training provided to existing employees to enhance their knowledge about product and services. In the same time this training also had been provided to employees as for share the responsibilities of the higher level position. The institution will provide training to existing employees when there is necessity. Lack of motivation, less skillful and those who works very slow will be send to training. Through training we give them an opportunity to improve their self and be more effective in organization.

From the interview with head of administration, he indicated that in microcredit organization no specific training program for the employees. *Furthermore there is no specific guideline for employees to choose the training program. Thus training of employees depends on fund availability in organization with management decision.* It's also known that selection for training done to fill the skill gaps between employees and done by head of admin himself.

In microcredit organization provides more general training which means employees don't choose but some training is compulsory to attend. The options for training program are too little.

Microcredit institutions must provide trainings for new comers and existing employees. Training would not help employees itself only but as for all organization. It will be more helpful for organization productivity. Training also plays a vital role in term of workers and firms development. The continuous training program will provide employees right skill and knowledge to work effectively. As for better performance for new comers initial training required and training for existing employees also crucial to increase quality of employee performance.

Answers from the majority of the respondents together revealed that the training program is not systematic. There is no proper plan for employees training program and several same training program repeated. Respondents feel bored and don't give impacts to their skills. Furthermore training that provided to employees anytime as the trained employee could handle the new process.



However the senior treasurer informed that the selection for training is totally depends on management decisions. As answered by senior treasures she stated training become more expensive now days. *So she also indicates there're no point you train an employee and end of day he or she leaves from your organization for better job. Therefore it's very important to choose good employee to attend the training program. She also added more priority will be given to treasurers who are loyal to organization, to attend the training. She also stated these employees who were sent to training will learn new knowledge and will try to apply within organization.* The new comers and existing employees will learn from him or her.

She also indicated that if u let everyone attend the training it will cost more and who might don't know whether they been benefited from provided training program or not. So choosing right candidate for training program is better way to cut cost and to utilize the training program. Sending employee who is not interested to training is a waste of time and money as well. Selecting the right trainees is important for success of the program.

A treasurer responded that there is not written document about selection of employees for training. By the way certain exclusive training they will give priority to treasurers. He added training should reach employees when there is necessity. Training should improve employee's ability and performance therefore management should select those who are weak to attend training.

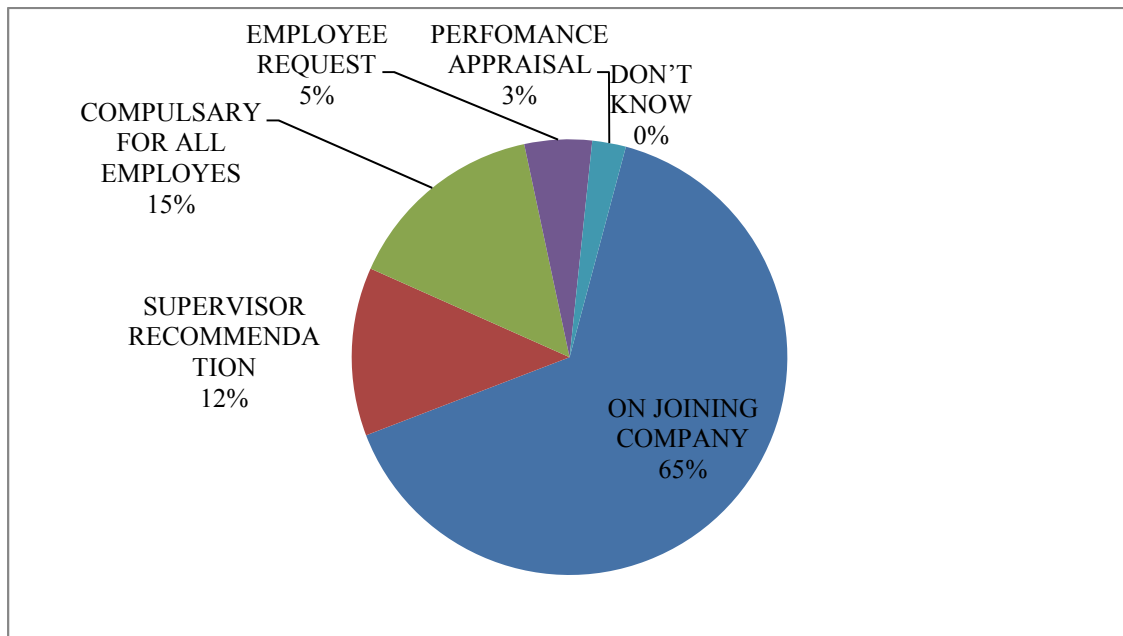


Figure 4.5
Selection for Training

The training for employees is expensive now days. It's important to select right training for the employees. Literatures tell us that selecting participants through a careful process of training needs identification is therefore the proper process of initiating training. From this research it's also want to discover how these microcredit organizations select employees for training.

Above graph illustrates about choosing training by employees. A big portion of respondents received on joining training from the company. The total 65% of microcredit employees fall under on joining the company training criteria. As we see in chart 15% of respondents were selected compulsory for all employees training. Beside that the results indicates 12% of respondents were chosen supervisor recommendation. The on joining

the company training was selected most of respondents because providing training for new comers is crucial where the newly hired should understand his job scope and role in the company. Failure in providing training for fresher will cause job dissatisfaction and it will contribute to higher turnover. From the graph its reveal the training provided are mostly decided by employers meanwhile employees didn't aware the important of training process. This is proven where the criteria employee request for training only selected by few respondents only.

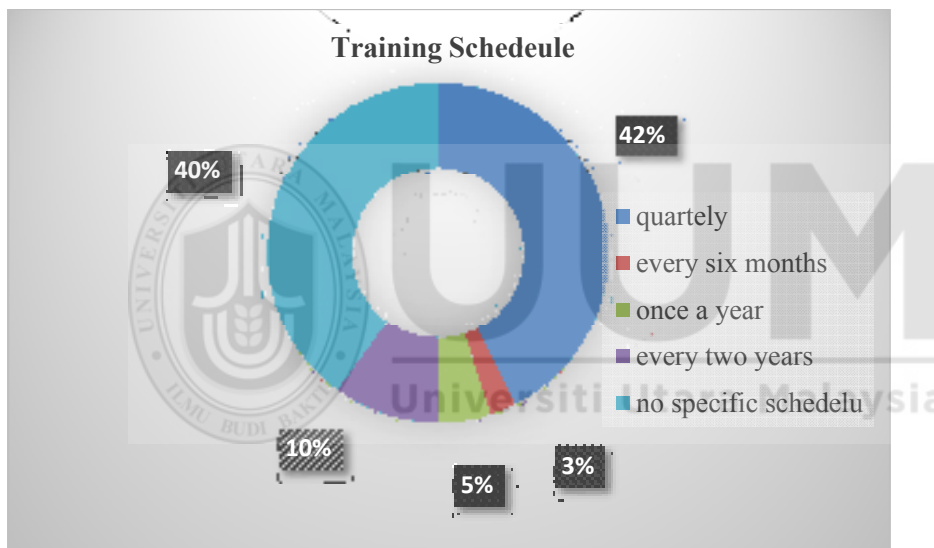


Figure 4.6
Training Schedule

Table 4.2
Training Schedule

Training schedule	%
Quarterly	42.5
Every six months	2.5
Once a year	5
Every two years	10
No specific schedule	40

The schedule of employees training shows that majority of respondents chosen training provided quarterly with 42.5%. It implies the training provided in microcredit institutions not frequent and has long gap. Beside that no specifics schedule for training has 40% in respondent's choice. It defines in microcredit sectors there is no specific schedule for training and will provided when there is necessity for training. The 10 % of respondents of microcredit sector chosen training in every two years and following of that once a year 5% and every six months 2.5%.

Different forms of training impact on performance differently. Long-term courses for trainees through upgrading improve qualifications hence need for promotion and if this is not realized as it is in most cases, trainees are demoralized and their performance reduces. Short term tailor made courses like refresher courses broaden and improve performance in specific areas.

4.5 Summary

There are challenges related to the training programs in microcredit institutions. From the employers' perspective, it could be concluded that some obstacles that microcredit institutions facing in providing training to employees. Employees who less motivated and not educated also a crucial factor to consider by the time provide training to them. A specially designed training needed to boost these particular employees in fill the skill gaps and improve their performance. Below are the some challenges in microcredit institutions.

First was time for training. The head of admin mentioned employees has busy working schedule and they got no time to attend the training. If management decides to provide trainings on Sundays employees disagrees. In some cases not all the employees could attend the trainings because some of them may go to field to meet clients.

Beside that some quality training cost expensive and cannot included everyone, only few will attend it. The inability of management to practice training methods comprehensively is the cost associated with it and also high fees from training consultancies.

Finally the key personnel also stated employees' attitude problem caused hard to organize a training program in microcredit institutions. Employee negative view about training makes staff training hard to conduct in institutions.

As observed from respondents they are some challenges faced by employees during training session. As discussed with employees, get to know those not educated find difficulties in understanding training materials because some of participants are unable to read. They felt bored attending training such as presentations and demonstrations, where the training goes more under theoretical form. They unable to absorb the facts through the training were conducted. These veterans prefer hands off training to attend. The on the job training is better 'said by these employees. Furthermore communication problem also another problem faced by employees. If the training were conducted in English some of employees couldn't understand.



CHAPTER 5

CONCLUSIONS AND RECOMMENDATION

5.1 Introduction

This chapter concludes the primary interview data collected towards answering the purpose of this study. Recommendations were suggested where gaps are identified from the analysis of the data.

5.2 Recapitalization of the Study

The purpose of this study was to examine the effectiveness of training to job performance among the employees of micro credit institutions, specifically KKR, in Selangor. In KKR micro credit institutions employees deal with micro credit customer who borrows small amount of money with the intention to improve their livelihood. However the main objective of study is to see the effectiveness of training in microcredit employee's job performance. From the interview and questionnaire its proven there is positive relationship between them.

From the findings we can conclude that continues training program in microcredit Institutions able to increase staff knowledge. However some training programs are not relevant for all the microcredit employees. The training program organized in microcredit

institutions is not well planned and not systematic. The flow of training process is not there. Those employee attended training able to work faster and perform well.

From the study we can conclude that there were positive outcomes to job performance from the training provided in microcredit institutions. The factor such as low budget may influence the quality training provided to these employees. But their organizations effort to provide continues training to their employees has paid off where employees feel motivated and comfortable with their job.

Repayment progress was not as scheduled and the task of the micro credit employees to ensure the repayment is made by the micro credit customers. This is where the training of the micro credit employees plays an important role. The qualitative approach, specifically the interviewing method, was employed in order to get in-depth responses from both the micro credit management and employees in this study.

5.3 Conclusions

The discussion on the conclusion is presented according to the objectives of this study as stated in the early part of this study.

5.3.1 Training Methods and Job Performance

The motive of this dissertation is to examine issues arises from microcredit related training. The main objective of this dissertation is to find the effects of training on employee's performance within the microcredit industry in Malaysia. Some specifics goals have been highlighted through this dissertation. First is the training program that exists in the microcredit institutions. Second was the real objective of training methods used in microcredit institutions. Third is the effectiveness of methods that was used to deliver training program whether its meets training objectives or not. Last was to find the effect of training to the microcredit employee's performance. The sample of study collected from two different microcredit institutions in Malaysia.

An overall finding shows that training plays important role in employee's performance improvement. Various questions been asked within respondents to get information about training provided by microcredit institutions. The entire question created focused on employee's participation in trainings program, training selections, training methods, and its relevance to work.

Furthermore research shows that communication as an important tool to trade and crucial factor for microcredit employee's performance. Microcredit institutions are service industries where their employees must perform well to offer good services to their customer. An employee's service delivery to microcredit clients will affect performance

directly. Since microcredit industries are totally about services, improvements towards skills are really important.

Training play crucial role where its helps improve microcredit employee's communication skill and soft skills. The right and continues training to employees will greatly affects their performance and microcredit performance.

During training new knowledge, competent skills will teaches by trainer to the trainee especially about new products and technologies. A good thought about work will be built troughs training. When training conducted to employees its will built confident, job satisfaction, and increase effectiveness level towards work. Beside that training also accepted as a part of personal growth of employees and as career advancement where employees be prepared to hold key positions in organization. Through training employees knows how to tackles problem that may arise in organization. Promoting new small loan types in microcredit institutions will be done by proving training to the employees. It's making good understanding about the new service either product to clients.

5.3.2 Training Frequency and Job Performance

The more frequent training organized will improves employee's performance rapidly. Employees training will increase performance even though it will take a long time and effective trainings. Using a right objective such as goal orientation theory could influence on individual interest on task and job. As observed employees in microcredit institutions

less motivated in joining training that could improve their performance. High skilled training and advance knowledge for employees required planned and strategic trainings. These training cannot conduct by short term where it requires longer and more frequent training to master it. If management conducts trainings systematically its will increase employees knowledge and in the same time can arrange with lesser cost.

Second in microcredit institutions employees send to trainings based on seniority and positions. Training must arranged by their position not by seniority to advance employees knowledge and skills. No point sending a low educated employee to advance training frequent where it's only will waste of money and time. These employees will find difficulties in understandings educational terms. So it's good to send and arrange trainings separately according employee knowledge's and understandings.

Training to improve employee performance resulted to employee motivation which increased their confidence and morale, it also improved employee Potential for Development and it has also increased employee productivity which in turn leads to effectiveness and efficiency at work.

5.3.3 Training Selection and Job Performance

Training selection also play vital role in improving employees job performance. Based on feedback given selection for training mostly comes from management, where management will decide who will attend the training. Employees don't have variety of

training since institutions facing financial issues. So management sending employees based on their evaluation. In this evaluation it's considered about seniority, loyalty, position and types of training. An informed compulsory training also been conducted where employees were not so interested. Training selection is important where it will closer the gaps between good employees with weak one. As said head of admin it's proven the training selection is improving job performance. Selecting employees for training will motivate them to work harder and they can do the task effectively.

As for solution for this and to improve microcredit institutions management can pick mainly branch heads to attend the training. Their position as branch supervisor is good to select them to attend training. It's the way to train the trainer for the employees. Once he learned from training he could conduct or passed the knowledge to other staffs.

5.4 Recommendations

Training play an important role in improving employee's performance. Therefore to meet desired level of performance and for continues organization growth the organization must improve in some areas as stated below:

5.4.1 Planned, systematic and coordinated training program

The microcredit institution should establish specific section for training to ensure the training provided well planned, coordinated, and relevant to employees job skill. The

respective department should responsible all this criteria fulfilled before conducting a training program.

5.4.2 Training needs analysis

Training need assessment is important for organization to diagnose current weaknesses and future challenges. By identify the issue the organization can come up with right training program. Therefore microcredit institutions should practice this before conduct a training program. This must do by hr personnel in organization with cooperation of management. Training need analysis will help organization to achieve its ultimate goal.

5.4.3 Establish the training objective in accordance with the organizational goal

The microcredit institutions should clearly state the results for each employee, what change in employee knowledge, skills, attitudes and behaviors. It must also clarify what is to change and by how much. The training goals should be specific, tangible, verifiable, timely and measurable and the objectives should be clear to both directors and employee because they can be used to evaluate their success.

5.4.4 Areas for Further Research

This research mainly focuses on training and its effectiveness's on microcredit employee's job performance. For future study it's recommended to do research about the

plan and implementation in training programs. The study must focus on how organization conducts a training program to achieve its objective.



REFERENCES

- Adam, D., Graham, D., & Von Pischke, J. D. (1984). *Undermining rural development with cheap credit*. Boulder: CO: Westview Press
- Adongo, J., & Stork, C. (2005). *Factors influencing the financial sustainability of selected microfinance institutions in Namibia*: The Namibian Economic Policy Research Unit.
- Afrane, S. (2002). Impact assessment of microfinance intervention in Ghana and South Africa. *Journal of Microfinance*, 4(1).
- Bhatt, N., & Tang, S.-Y. (2002). Determinants of repayment in microcredit: Evidence from programs in the United States. *International Journal of Urban and Regional Research*, 26(2), 360-376.
- Brau, J. C., & Woller, G. M. (2004). Microfinance: a comprehensive review of the existing literature. *Journal of Entrepreneurial Finance and Business Ventures*, 9(1), 1-26.
- Berita Harian. (2009). TEKUN non performing loans RM225 million. *Berita Harian*.
- Conroy, J.D. (2002). *Microfinance in Malaysia: Time to Rebuild*. The Foundation for Development Corporation. Brisbane. Australia.
- Chen, M. A., & Dunn, E. (1996). *Household Economic Portfolios*. Washington, D.C: AIMS.
- Chamhuri, S., & Quinones, B. (2000). Microfinance in Malaysia: Aiming at success. In R. M. Auty, R. B. Potter & J. Remenyi (Eds.), *Microfinance and poverty alleviation* (pp. 180-199). New York: Routledge.
- Chaudhary, M. A., & Ishfaq, M. (2003). Credit worthiness of rural borrowers of Pakistan. *The Journal of Socio-Economics*, 32, 675-684.
- Chen, M. A., & Dunn, E. (1996). *Household Economic Portfolios*. Washington, D.C: AIMS.
- Chowdury, P. R. (2005). Sequential financing, lender monitoring and joint liability. *Journal of Development Economics*, 77(2), 415-439.
- Datta, D. (2004). Microcredit in Rural Bangladesh: Is It Reaching the Poorest? *Journal of Microfinance*, 6, 55-81.
- Daley-Harris, S. (2009). State of the Microcredit Summit Campaign Report 2009. Microcredit Summit Campaign. Washington. USA.
- Islam, T. (2007). Poverty alleviation impact on Grameen microcredit. In *Microcredit and poverty alleviation* (pp. 165-167). Hampshire: Ashgate Publishing Limited.
- Ismail, R. (2001). Economic and social impact of Amanah Ikhtiar Malaysia (AIM) scheme: A case study in Kedah and Terengganu. *Humanomics*, 17(1/2), 141.
- Jomo, K. S. (2004). The new economic policy and interethnic relations in Malaysia. New York: United Nations Research Institute for Social Development.
- Khandker, S. R. (2005). Microfinance and poverty: evidence using panel data from Bangladesh. *The World Bank Economic Review*, 19(22), 263-286.
- Maddala, G. S. (2001). *Introduction to econometrics* (3rd ed.): John Wiley.

- Mahjabeen, R. (2008). Microfinancing in Bangladesh: Impact on households, consumption and welfare. *Journal of Policy Modelling*, (30), 1083-1092.
- Morris, G., & Barnes, C. (2005). An assessment of the impact of microfinance. *Journal of Microfinance*, 7(1), 39.
- Yunus, M. (2007a). *Banker to the poor: Micro-lending and the battle against world poverty*. New York: PublicAffairs.



APPENDIX

Open Ended Questionnaire

SECTION A: General information

1. Gender:
2. Age:
3. Highest Level of Education?
4. Number of years in Operation? years
5. Department:
6. Rank:
7. How long have you worked for the organization? Years
8. Have you had any form of training since you joined the organization? Yes / No

SECTION B: List of open-ended questions to the employees:

1. Has the employees' job performance improved since they join the organization?
2. What is the training methods used for the employee?
3. How frequent do the employee have to undergo training?
4. How this organization select employee for training?
5. Is there an improvement in your job performance since you join the organization?
6. How effective is the training methods used in the training?
7. How often do you have to go for training?
8. Can you select the trainings that you want to participate?